

Investing in the Nation's Water Resources Infrastructure

Civil Works water resources infrastructure is critical to the Nation's long-term economic might, global competitiveness, and quality of life. Investments in water resources infrastructure provide a 26% annual rate of return in economic value to the output of goods and services nationally, as well as an additional \$30 Billion of tax revenues and savings to the Treasury. Some examples of the contribution to our national prosperity provided by water resources infrastructure include:

- U.S. deepwater ports, coastal and inland harbors & waterways move 2.3 billion tons of domestic and foreign commerce annually, creating employment for more than 13 million citizens, and contributing about 8% of our Gross Domestic Product (GDP).
- Flood & shore protection projects prevent \$22 billion in damages annually.
- Hydroelectric dams produce enough electricity to supply 4.64 million homes with electricity during peak periods (equivalent to 125 million barrels of oil), while thousands of cities, towns and industries rely on the 9.5 million acre feet of water supply storage provided from 116 lakes and reservoirs.
- Multi-purpose water projects include 4,300 recreation areas. These facilities host over 400 million visits annually, and 1/3 of all fresh water fishing.
- Stewardship of water resources projects encompasses 11.5 million acres of the nation's land and related land resources.

However, investment in water resources has not kept pace with economic and social expansion, and the benefits we have come to expect from our water resources are increasingly at risk. Over the last 30 years, the U.S. population increased by 40%, while the GDP tripled (from \$2.5 to 7.5 trillion). Meanwhile, capital investment in water resources decreased by 70%. The Corps today has a backlog of authorized, but unfunded, new capital investments totaling about \$40 billion and critical maintenance that amounts to over \$400 million each year.

Over the next 20 years the U.S. population is projected to grow by 50 million (to 325 million), while over the next 10 years the GDP is projected to increase to \$12.5 trillion. Such growth will place an even greater demand on the performance of the nation's water infrastructure. Two critical needs are illustrative. First, demands on our nation's marine transportation are expected to double over the next twenty years. The current system can barely accommodate existing traffic levels. Second, development in flood prone areas continues to increase by about 2% annually, with at-risk coastal areas growing more rapidly. Unless investment levels in water infrastructure increase significantly, our ability to address such needs and provide U.S. citizens with the benefits they have come to expect, will be compromised. Our prosperity and quality of life will suffer.